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STATE OF ILLINOIS

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ILLINOIS COMMERCE COMMISSION

WPS Energy Services, Inc.

Application for Certificate of  
Service Authority under Section  
16-115 of the Public Utilities Act.

Docket No.

05-0319

APPLICATION

WPS Energy Services, Inc. ("WPS-ESI"), hereby requests that the Illinois Commerce Commission ("Commission") grant it a certificate of service authority pursuant to Section 16-115 of the Public Utilities Act. In support of its application, Applicant states as follows:

**General [451.20 and 451.30]**

1. WPS Energy Services, Inc. (WPS-ESI) is located at 1088 Springhurst Rd., Green Bay, WI 54304
2. WPS-ESI is a corporation, incorporated under the State of Wisconsin Business Corporation Law, Chapter 180, and is a wholly owned subsidiary of WPS Resources Corporation.

WPS-ESI's registered agent in the State of Illinois is CT Corporation System, located at 208 S. La Salle Street, Chicago, IL 60604.

Headquartered in Green Bay, WPS-ESI also has regional offices in Illinois, Michigan, Ohio, Maine and Virginia. WPS-ESI has four wholly owned subsidiaries, Quest Energy, L.L.C located in Ann Arbor, Michigan, Advantage

Energy, Inc. located in Buffalo, NY, Power Development, L.L.C located in Green Bay, WI, and WPS Energy Services of Canada Corp with its principal office in Green Bay, WI and satellite offices in Montreal, Quebec, Canada and Toronto, Ontario, Canada. Previously WPS-ESI marketed natural gas in the state of Ohio under the name FSG Energy Services, Inc., however this name is no longer used.

WPS-ESI's Federal Employer Identification Number is 39-1802356.

3. The following persons may be contacted regarding issues related to this application and operation as an ARES:

Issues related to processing this application:

**Name - Kirsten Young**  
**Title - Sr. Attorney**  
**Address - WPS Energy Services, Inc.**  
**3 Westbrook Corporate Center, #550**  
**Westchester, IL 60154**  
**Telephone - (708) 409-9853**  
**Facsimile - (708) 409-9876**  
**E-mail - kyoung@wpsenergy.com**

Issues related to retail customers, including complaint resolution:

**Name - Mark Stiers**  
**Title - Vice President, Retail Electric**  
**Address - WPS Energy Services, Inc.**  
**3520 Green Ct.**  
**Ann Arbor, MI 48105**  
**Telephone - (734) 761-2025**  
**Facsimile - (734) 761-2140**  
**E-mail - mstiers@wpsenergy.com**

Technical issues, including scheduling of generation, transmission, and distribution, and issues arising from relationships with other providers of electric services:

**Name - John O'Connell**  
**Title - Director, Electric Operations**  
**Address - WPS Energy Services, Inc.**  
**1088 Springhurst Dr.**  
**Green Bay, WI 54304**  
**Telephone - (920) 617-6122**  
**Facsimile - (920) 617-6070**  
**E-mail - joconne@wpsenergy.com**

4. WPS-ESI is licensed to do business in the State of Illinois, as demonstrated in Attachment A.
5. WPS-ESI employees will not be installing, operating, or maintaining generation, transmission, or distribution facilities within the State of Illinois.
6. WPS-ESI was incorporated in 1994 when it began marketing natural gas supply services to customers located in Wisconsin. Since that time WPS-ESI has grown to providing annual retail deliveries of approximately 277 Bcf of natural gas and over 7,200 GWh of electricity to end use customers in seventeen states in 2004.
7. Upon certification as an ARES, WPS-ESI intends to offer electric power and energy to supply only non-residential retail customers in the entire State of Illinois.
8. WPS-ESI will serve non-residential retail customers with annual electric consumption greater than 15,000 kwh, pursuant to Part 451 subpart C.

9. Attachment B includes a copy of the notification to each utility of the intent to serve customers in their service area.
10. WPS-ESI certifies that it:
  - a) will comply with all applicable Federal, State, regional and industry rules, practices, policies, procedures and tariffs for the use, operation, maintenance, safety, integrity, and reliability of the interconnected electric transmission system including the Open Access Same-time Information System (OASIS) mandated by 18 CFR 37 and the rules and operating guidelines and procedures of the regional or national electric reliability council(s) or organization(s) and their successors for any portion of the state in which the applicant is certified to provide retail electric service and shall agree to submit good faith schedules of transmission and energy in accordance with applicable tariffs.;
  - b) will provide service only to retail customers that are eligible to take delivery services;
  - c) will comply with informational and reporting requirements that the Commission may by rule establish;
  - d) The applicant shall certify that it will comply with informational and reporting requirements that the Commission may establish regarding the provision of information required by Section 16-112 of the Act [220 ILCS 5/16-112]. Any data related to contracts for the purchase and sale of electric power and energy shall be made available for review by the Staff

of the Commission on a confidential and proprietary basis and only to the extent and for the purposes that the Commission determines are reasonably necessary in order to carry out the purposes of this Act;

- e) complies with all other applicable laws and regulations and Commission rules and orders; and
  - f) complies with all terms and conditions required by Sections 115A(a), (b), and (f), 16-119, 16-123, 16-125(b) and (c), 16-127, and 16-128(a) of the Act, to the extent those Sections have application to the services being offered by WPS-ESI.
11. WPS-ESI agrees to submit good faith schedules of transmission and energy in accordance with applicable tariffs.
12. WPS-ESI agrees to adopt and follow rules and procedures ensuring that authorizations received from customers, customer billing records, and requests for delivery service transmitted to utilities are retained for a period of not less than two calendar years after the calendar year in which they were created. These records shall be made available by request to the Commission or its Staff on a confidential and proprietary basis, as necessary to carry out the Commission's obligations under the Act.
13. WPS-ESI agrees to adopt and follow rules and procedures to preserve the confidentiality of the customer's data.

14. WPS-ESI does not currently have authority from the Commission to be an ARES.

**Reciprocity**

15. The following companies are affiliates of WPS-ESI involved in electric retail sales or purchases in the North American continent.

**Regulated Affiliates**

***Wisconsin Public Service Corporation (WPSC)***

700 North Adams  
P.O. Box 19001  
Green Bay, WI 54307-9001

***Upper Peninsula Power Company (UPPCO)***

600 Lakeshore Drive  
P.O. Box 130  
Houghton, MI 49931

**Non-regulated Affiliates**

***WPS Energy Services of Canada Corp.***

1088 Springhurst Dr.  
Green Bay, WI 54304

***Advantage Energy, Inc.***

3556 Lake Shore Rd., Ste 120  
Buffalo, NY 14219

***Quest Energy, L.L.C***

3520 Green Ct., Ste 200  
Ann Arbor, MI 48105

16. WPS-ESI certifies that it complies with Section 16-115(d)(5) of the Act [220 ILCS5/16-115(d)(5)], and that it will remain in compliance with such requirements

and will annually certify such compliance to the Commission during January of each year after its certification. A demonstration that Applicant is in compliance with Section 16-115(d)(5) of the Act is set forth in Attachment C.

#### **License or Permit Bond**

17. As demonstrated in Attachment D, WPS-ESI provides a license or permit bond in the name of the People of the State of Illinois issued by a qualifying surety or insurance company authorized to transact business in the State of Illinois for \$150,000, as required by Part 451.50(a) for service to nonresidential retail customers with annual electrical consumption greater than 15,000 kWh. Included in Attachment D is proof that the surety meets the definition of “qualifying surety” as set forth in Part 451.10 as the surety is authorized by the U.S. Department of Treasury pursuant to 31 USC 9305.

#### **Section 451.210 General Qualifications**

18. Applicant shall certify compliance with all terms and conditions required by Section 16-115A(c) of the Act [220 ILCS 5/16-115A(c)].

#### **Financial Qualifications [451.220]**

19. Applicant meets the financial criteria set forth in Part 451.220(a)(2) as demonstrated in Attachment E. The Applicant maintains a borrowing agreement with an affiliate, WPS Resources Corporation in the amount of \$1.2 billion. WPS

Resources Corporation is rated A by Standard and Poors and rated A1 by Moody's Investor Service.

The following documentation is included in Attachment E for your review:

- i) The ratings agency reports that present the ratings of the affiliate with which the applicant maintains the borrowing agreement showing that ratings of the affiliate meet the requirements of higher than BBB by Standard and Poors and higher than Baa3 by Moody's Investors Service;
- ii) The borrowing agreement, valid for more than one year, in the amount of \$100 million, which is greater than 7.5% of WPS-ESI's non-regulated electric segment revenue for 2004;
- iii) The applicant's certified financial statements of WPS Resources Corporation in the form of its 2004 Annual Report, which identifies that WPS ESI's non-regulated electric segment revenue for 2004 was \$518,900,000 on page 27. This same data appears in WPS Resources Corporation 10-K filing on page 46.
- iv) The accountant's report for WPS Resources Corporation financial statements which appears on page 92 of the Annual Report and page 146 of the 10-K.



20. WPS-ESI **will not** provide electric power and energy that it generates with property, plant or equipment that it owns, controls or operates.

**Technical Qualifications [451.230]**

21. WPS-ESI **will not** use electric generation, transmission or distribution facilities that it owns, controls or operates in serving customers.

- (i) WPS-ESI It meets the technical capability requirements of Section 451.230 Subpart C, as demonstrated in Attachment F, as we have
- electric sales staff with over two years experience (see Scott Slisher, Dean Naillon, Bill Boerschinger, and Matt Manley)
  - greater than two years of electric system operational experience (see John O'Connell, Scott Slisher, Bill Boerschinger, Brian Miles)
  - greater than three months experience with OASIS reservation processes (see Brian Miles),
  - greater than three months experience with NERC or its successor tagging processes, (see Brian Miles)
  - and greater than one year experience with the rules and practices established by NERC and MAIN and MAPP (see Marc Hess, Bill Boerschinger, Mark Stiers)

(ii) In addition WPS-ESI owns, maintains and operates a twenty four (24) hour energy desk for coordination with control centers of scheduling changes, reserve implementation, curtailment orders, and interruption plan implementation with control centers.

(iii) The energy desk is located at 1088 Springhurst Dr., Green Bay, WI 54304 and can be reached at all times by calling:

(920) 617- 1111

(920) 617 – 6175–facsimile

energydesk@wpsenergy.com – energy desk e-mail

WPS ESI agrees to maintain this energy desk for so long as it serves electric customers. Currently the energy desk schedules 3,600,000 MWH of retail electric load in Michigan, 1,500,000 MWH of retail electric load in Maine, and 750,000 MWH of electric retail load in Ohio.

(iv) Attachment F contains the cocupational background of each of the individuals referenced above that meet the requirements of this Section.

**Managerial Qualifications [451.240]**

22. WPS-ESI meets the managerial qualifications set forth in 83 Ill. Adm. Code 451.240 subpart C as demonstrated by the personnel background information provided in Attachment F, which indicates that Mark Stiers, Vice President Retail Electric has more than four (4) years experience in a management position with enterprise financial and administration responsibilities including profit and loss

responsibilities, as well as the background of other key personnel, including John O'Connell, Director of Electric Operations with over ten years of management experience and Scott Slisher, Managing Director of Sales with eight years of sales experience, four years of management experience, and five years of operations experience.

Attachment G contains a corporate leadership chart indicating the individuals who are being used to meet the requirements of Part 451.230 Subpart C.

WPS-ESI is not relying on one or more agents or contractors to meet the technical or managerial requirements of Part 451.230 and 451.240.

**Financial Qualifications for Single Billing Service [Subpart F 451.500-451.510]**

23. WPS-ESI does intend to provide single billing services.

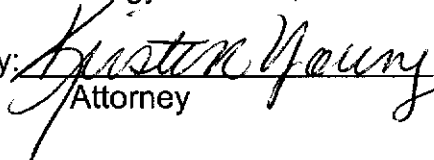
WPS-ESI demonstrates an ability to establish and maintain sufficient financial resources to satisfy the obligation to remit to utilities monies that the ARES collects under single billing tariffs adopted pursuant to Section 16-118(b) of the Act [220 ILCS 5/16-118(b)] by satisfying the requirements of Part 451.510 subpart (d) as follows: All obligations of WPS ESI to Illinois utilities will be unconditionally guaranteed by WPS Resources Corporation, its parent-affiliate. A copy of the guaranty is provided in Attachment H.

WPS Resources Corporation meets the ratings agency requirements established by the Act and the unconditional guarantee is valid for greater than one year. Copies of the rating agency reports and the guarantee are presented in Attachment E (i).

WHEREFORE, Applicant requests that the Commission grant its application for service authority to serve retail customers with maximum electrical demands of one megawatt or more in the entire State of Illinois.

Respectfully submitted,

WPS Energy Services, Inc.

By:   
Attorney

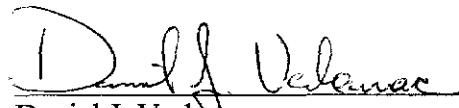
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VERIFICATION


STATE OF Wisconsin  
COUNTY OF Brown

ss:

Daniel J. Verbanac, being first duly sworn, deposes and says that he is the Chief Operating Officer of WPS Energy Services, Inc.; that he has read the foregoing Application of WPS Energy Services, Inc., and all of the attachments accompanying and referred to within the Application; and that the statements contained in the Application and the attachments are true, correct and complete to the best of his knowledge, information and belief.

  
Daniel J. Verbanac  
Chief Operating Officer

Subscribed and sworn to before me  
this 18th day of May, 2005.

  
Notary Public

[Stamp of Notary]